DUNCAN • CITY OF TOTEMS

PHOTO COMPLIMENTS ARTEC DATAHOUSE

THE CORPORATION OF THE

CITY OF DUNCAN

The Friendly City of the Cowichan Valley

1987

Annual

Financial Report

THE CORPORATION OF THE CITY OF DUNCAN

FINANCIAL STATEMENTS

AND

GENERAL INFORMATION

FOR THE YEAR ENDED

DECEMBER 31st, 1987

THE CORPORATION OF THE CITY OF DUNCAN

MAYORS

SINCE INCORPORATION IN 1912

K. F. DUNCAN	1912 - 1913
O. T. SMYTHE	1914 - 1916, 1923
E. F.MILLER	1917 - 1918, 1922
T. PITT	1919 - 1921
J. I. MUTTER	1924 - 1928
H. F. PREVOST	1929 - 1935
J. GREIG	1936 - 1939
E. W. LEE	1940 - 1942
G. H. SAVAGE	1943 - 1946
J. C. WRAGG	1947 - 1955
J. T. DOBOSN	1956 - 1967
J. W. QUAIFE	1968 - 1973
K. PASKIN	1974 - 1979
M. G. COLEMAN	1979 - 1982
D. W. BARKER	1983 - 1986
M. G. COLEMAN	1986 -

MAYOR & ALDERMEN

1987

MAYOR

M. G. COLEMAN

ALDERMEN

J. KOCUREK	M. CALJOUW
W. STOCKTON	D. SELLARS to July 2, 1987
M. LUKAITIS	J. GILLATT

LIST OF OFFICERS

ADMINISTRATOR	P. E. (Paul) Douville
TREASURER	K. E. Belliveau
WORKS SUPERINTENDENT	A. H. Caron
BUILDING INSPECTOR/LAFC	M. C. Weld
FIRE CHIEF (VOLUNTEER)	G. A. Mackie
R.C.M. POLICE	S/Sgt. E. Raaflaub
MEDICAL HEALTH OFFICER	Dr. P. J. Reynolds

CITY AUDITORS

Thorne Ernst & Whinney

SOLICITORS

Harmon Wilson & Company

BANKERS

Canadian Imperial Bank of Commerce

CONSULTING ENGINEERS

Duncan & Associates Engineering Ltd.

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1987

	Page
Auditors' Report	1
Statements	
General Revenue Fund	
A Balance Sheet	2
B Statement of Surplus	3
C Statement of Revenue and Expenditure	4
General Capital Fund	
D Balance Sheet	5
E Statement of Equity in Capital Assets	6
F Statement of Capital Financing	7
Reserve Funds	
G Balance Sheet	8
H Statement of Changes in Fund Balances	9
Waterworks Utility Revenue Fund	
I Balance Sheet	10
J Statement of Surplus	11
K Statement of Revenue and Expenditure	12
Waterworks Utility Capital Fund	
L Balance Sheet	13
M Statement of Equity in Capital Assets	14
N Statement of Capital Financing	15
Sewer Enterprise Revenue Fund	
O Balance Sheet	16
P Statement of Surplus	17
Q Statement of Revenue and Expenditure	18
Sewer Enterprise Capital Fund	
R Balance Sheet	19
S Statement of Equity in Capital Assets	20
T Statement of Capital Financing	21

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1987

		Page
Notes to Financial Statements		22
Schedules		
1	Taxes	25
2	Grants in Lieu of Taxes	25
3	Sales of Services	25
4	Other Revenue from Own Sources	26
5	Unconditional Transfers from Other Governments	26
6	Conditional Transfers from Other Governments	26
7	Collections for Other Governments	27
8	Transfer from Own Reserve Accounts and Utilities	27
9	General Government Services	28
10	Protective Services	29
11	Transportation Services	30
12	Environmental Health Services	31
13	Environmental Development Services	31
14	Recreation and Cultural Services	31
15	Debt Charges	32
16	Transfers to Own Reserve Accounts and Funds	32
17	Debenture Debt	33
18	Expenditure for Fixed Assets	34

Thorne Ernst & Whinney
Chartered Accountants

Third Floor, Royal Bank Building
707 Fort Street
Victoria, British Columbia, Canada
V8W 3G3

(604) 382-8251

AUDITORS' REPORT

To the Mayor and Aldermen of
The Corporation of the City of Duncan
British Columbia

We have examined the balance sheets of The Corporation of the City of Duncan as at December 31, 1987 and the statements of surplus, revenue and expenditure, equity in capital assets, capital financing and changes in fund balances for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the municipality as at December 31, 1987 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for British Columbia municipalities applied, after giving retroactive effect to the change in the method of accounting for depreciation of Waterworks Utility Capital Fund and Sewer Enterprise Capital Fund fixed assets as described in note 6, on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 5, 1988

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

BALANCE SHEET

	December 31 1987	December 31 1986
ASSETS		
Cash	$ 477,127	$ 443,953
Receivables		
Property taxes	371,223	438,106
Federal government	1,167	1,003
Provincial government	82,719	10,904
Cowichan Valley Regional District	1,509	-
School District No. 65 (Cowichan)	975	861
Other municipalities	2,884	-
Reserve Funds	22,092	-
Waterworks Utility Revenue Fund	99,499	118,701
Joint Utilities Board	4,042	10,847
Other	70,146	72,893
Prepaid items	20,999	16,548
Materials and supplies	6,007	6,454
Other assets		
Property acquired for taxes, at cost, subject to redemption	2,337	-
Municipal Finance Authority Debt Reserve Fund deposits	167,602	162,867
	$1,330,328	$1,283,137

Treasurer

STATEMENT A

ember 31 1986		December 31 1987	December 31 1986
	LIABILITIES		
	Payables		
$ 443,953	Provincial government	$ 4,610	$ -
	Cowichan Valley Regional District	1,143	2,226
438,106	School District No. 65 (Cowichan)	7,553	8,398
1,003	Trade accounts and accrued liabilities	252,946	159,539
10,904	General Capital Fund	-	4,751
-	Sewer Enterprise Revenue Fund	33,313	58,598
861	Other	-	529
-	Other liabilities		
-	Prepaid property taxes and rentals	2,678	2,272
118,701	Municipal Finance Authority Debt Reserve Fund		
10,847	Cash deposits	50,228	45,493
72,893	Demand notes (note 3)	117,374	117,374
16,548			
6,454			
	RESERVES		
	Uncollected taxes and other receivables	413,672	480,482
-	Property acquired for taxes	2,337	-
	Future expenditure	118,096	166,825
162,867			
	SURPLUS (Statement B)	326,378	236,650
$1,283,137		$1,330,328	$1,283,137

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

STATEMENT OF SURPLUS **STATEMENT B**

	Year ended December 31 1987	1986
Balance at beginning of year	$ 236,650	$ 311,330
Deduct surplus appropriated for current year	-	74,680
	236,650	236,650
Add surplus for the year (Statement C)	89,728	-
BALANCE AT END OF YEAR	$ 326,378	$ 236,650

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE **STATEMENT C**

	Year ended December 31 1987	1986
REVENUE		
Taxes (Schedule 1)	$1,787,555	$1,771,623
Grants in lieu of taxes (Schedule 2)	52,843	48,083
Sales of services (Schedule 3)	240,510	224,696
Other revenue from own sources (Schedule 4)	404,024	411,321
Unconditional transfers from other governments (Schedule 5)	212,708	192,487
Conditional transfers from other governments (Schedule 6)	92,582	41,148
Collections for other governments (Schedule 7)	1,323,748	1,352,659
Transfers from own reserve accounts and utilities (Schedule 8)	299,324	203,510
Surplus appropriated from previous years	-	74,680
	4,413,294	4,320,207
EXPENDITURE		
General government services (Schedule 9)	489,102	396,832
Protective services (Schedule 10)	186,628	180,371
Transportation services (Schedule 11)	542,574	528,514
Environmental health services (Schedule 12)	255,252	228,367
Environmental development services (Schedule 13)	10,251	19,737
Recreation and cultural services (Schedule 14)	303,587	318,132
Debt charges (Schedule 15)	355,613	468,027
Transfers to own reserve accounts and funds (Schedule 16)	432,829	369,417
Conditional transfer to other governments Regional district	423,982	458,012
Transmission of taxes levied for other governments	1,323,748	1,352,798
	4,323,566	4,320,207
SURPLUS FOR THE YEAR	$ 89,728	$ -

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

BALANCE SHEET **STATEMENT D**

	December 31 1987	1986
ASSETS		
Unexpended funds		
Cash	$ 5,643	$ 810
Receivables		
General Revenue Fund	-	4,751
Fixed assets		
Engineering structures	5,660,221	4,702,619
Buildings	1,442,831	1,442,831
Machinery and equipment	1,365,846	1,325,451
Land	815,707	815,707
	$9,290,248	$8,292,169
LIABILITIES		
Long-term debt		
Debentures (Schedule 17) (note 2)	$1,676,080	$1,811,999
EQUITY IN CAPITAL ASSETS (Statement E)	7,614,168	6,480,170
	$9,290,248	$8,292,169

Contingent liabilities (note 1)

Treasurer

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

STATEMENT OF EQUITY IN CAPITAL ASSETS **STATEMENT E**

	Year ended December 31 1987	1986
Balance at beginning of year	$6,480,170	$5,841,517
Add		
Retirement of long-term debt Debentures	135,919	186,557
Assets acquired by transfers and donations	997,997	414,470
Land reacquired on cancellation of agreement for sale	-	75,500
Interest received	82	75
Municipal Finance Authority debt reserve refund	-	4,751
	1,133,998	681,353
	7,614,168	6,522,870
Deduct assets written off	-	42,700
BALANCE AT END OF YEAR	$7,614,168	$6,480,170

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FINANCING **STATEMENT F**

	Year ended December 31 1987	1986
FINANCES ACQUIRED		
Unexpended funds at beginning of year	$ 5,561	$ 3,291
Transfers from		
Provincial government	521,398	-
District of North Cowichan	-	20,000
General Revenue Fund	272,470	156,321
Reserve Funds		
Development Fees	-	40,000
Sale of Real Property	190,092	45,000
Machinery and Equipment	14,037	79,744
New Works	-	20,000
Parking Improvement	-	25,000
Other		
Interest received	82	75
Donations	-	28,405
Debt reserve refund	-	4,751
	$1,003,640	$ 422,587
FINANCES APPLIED		
Expenditure for fixed assets (Schedule 18)	$ 997,997	$ 417,026
Unexpended funds at end of year	5,643	5,561
	$1,003,640	$ 422,587

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

RESERVE FUNDS

BALANCE SHEET

STATEMENT G

	December 31 1987	1986
ASSETS		
Cash and term deposits	$ 846,267	$ 878,768
LIABILITIES		
Payables		
General Revenue Fund	$ 22,092	$ -
FUND BALANCES (Statement H)		
Development Fees		
Water	67,250	61,581
Sewer	51,575	46,496
Storm sewer	45,719	42,499
Roads	17,725	12,382
	182,269	162,958
Sale of Real Property	106,588	282,766
Machinery and Equipment	494,223	413,717
New Works	27,233	15,959
Parking Improvement	13,862	3,368
	824,175	878,768
	$ 846,267	$ 878,768

Treasurer

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

RESERVE FUNDS

STATEMENT OF CHANGES IN FUND BALANCES

	Year ended December 31, 1987				
	Development Fees Reserve Fund	Sale of Real Property Reserve Fund	Machinery and Equipment Reserve Fund	New Works Reserve Fund	P Imp Rese
Balance at beginning of year	$ 162,958	$ 282,766	$ 413,717	$ 15,959	$
Add					
Interest received	12,652	13,914	34,316	1,274	
Transfers from General Revenue Fund	-	-	60,227	10,000	
Collections from developers	6,659	-	-	-	
	182,269	296,680	508,260	27,233	
Deduct					
Transfers to General Capital Fund	-	190,092	14,037	-	
Reversal of prior year sale of real property on cancellation of agreement for sale	-	-	-	-	
	-	190,092	14,037	-	
BALANCE AT END OF YEAR	$ 182,269	$ 106,588	$ 494,223	$ 27,233	$

STATEMENT H

Year ended December 31, 1987						Year ended December 31 1986
Development Fees Reserve Fund	Sale of Real Property Reserve Fund	Machinery and Equipment Reserve Fund	New Works Reserve Fund	Parking Improvement Reserve Fund	Total	Total
$ 162,958	$ 282,766	$ 413,717	$ 15,959	$ 3,368	$ 878,768	$1,023,228
12,652	13,914	34,316	1,274	494	62,650	72,993
-	-	60,227	10,000	10,000	80,227	58,298
6,659	-	-	-	-	6,659	9,493
182,269	296,680	508,260	27,233	13,862	1,028,304	1,164,012
-	190,092	14,037	-	-	204,129	209,744
-	-	-	-	-	-	75,500
-	190,092	14,037	-	-	204,129	285,244
$ 182,269	$ 106,588	$ 494,223	$ 27,233	$ 13,862	$ 824,175	$ 878,768

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY REVENUE FUND

BALANCE SHEET **STATEMENT I**

	December 31 1987	1986
ASSETS		
Receivables		
Consumers	$ 62,884	$ 62,386
Provincial government	56,534	58,984
Materials and supplies	41,341	38,738
Other assets		
Municipal Finance Authority Debt Reserve Fund deposits	127,623	123,747
	$ 288,382	$ 283,855
LIABILITIES		
Payables		
General Revenue Fund	$ 99,499	$ 118,701
Other liabilities		
Municipal Finance Authority Debt Reserve Fund		
Cash deposits	41,251	37,375
Demand notes (note 4)	86,372	86,372
RESERVE FOR UNCOLLECTIBLE RECEIVABLES	1,000	1,000
SURPLUS (Statement J)	60,260	40,407
	$ 288,382	$ 283,855

Treasurer

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY REVENUE FUND

STATEMENT OF SURPLUS **STATEMENT J**

	Year ended December 31 1987	1986
Balance at beginning of year	$ 40,407	$ 50,863
Deduct surplus appropriated for current year	-	12,000
	40,407	38,863
Add surplus for the year (Statement K)	19,853	1,544
BALANCE AT END OF YEAR	$ 60,260	$ 40,407

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE **STATEMENT K**

	Year ended December 31 1987	1986
REVENUE		
Sale of water	$ 435,022	$ 412,580
Connection and service charges	16,745	22,723
Interest received	1,000	1,000
Conditional transfers from provincial government		
Revenue sharing grant	110,321	112,563
Surplus appropriated from previous years	-	12,000
	563,088	560,866
EXPENDITURE		
Environmental health services		
Administration	38,211	37,087
Transmission and distribution	84,235	76,766
Pumping	111,229	117,341
Customer billing and collection	41,808	40,739
Transfers to own reserve accounts and funds		
Reserve for uncollectible receivables	-	1,000
General Revenue Fund	53,000	53,000
Waterworks Utility Capital Fund	9,046	21,104
Debt charges		
Interest and foreign exchange on debenture debt	153,142	161,474
Principal installments	52,564	50,811
	543,235	559,322
SURPLUS FOR THE YEAR	$ 19,853	$ 1,544

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY CAPITAL FUND

BALANCE SHEET **STATEMENT L**

	December 31 1987	1986 (note 6)
ASSETS		
Unexpended funds		
Cash and term deposits	$ 50,409	$ -
Fixed assets		
Engineering structures	3,237,242	3,228,196
Machinery and equipment	1,372	1,372
	$3,289,023	$3,229,568
LIABILITIES		
Long-term debt		
Debentures (Schedule 17) (note 2)	$1,032,219	$1,100,083
RESERVE FOR FUTURE CAPITAL EXPENDITURES	50,409	-
EQUITY IN CAPITAL ASSETS (Statement M)	2,206,395	2,129,485
	$3,289,023	$3,229,568

Treasurer

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY CAPITAL FUND

STATEMENT OF EQUITY IN CAPITAL ASSETS **STATEMENT M**

	Year ended December 31 1987	1986
Balance at beginning of year		
As previously reported	$ -	$ -
Adjustment to reflect change in accounting for accumulated depreciation (note 6)	2,129,485	2,044,533
As restated	2,129,485	2,044,533
Add		
Retirement of long-term debenture debt	67,864	63,848
Assets acquired by transfers and donations	9,046	21,104
	76,910	84,952
BALANCE AT END OF YEAR	$2,206,395	$2,129,485

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FINANCING **STATEMENT N**

	Year ended December 31 1987	1986
FINANCES ACQUIRED		
Transfers from		
Waterworks Utility Revenue Fund	$ 9,046	$ 21,104
Cowichan Indian Band	50,000	-
Interest received	409	-
	$ 59,455	$ 21,104
FINANCES APPLIED		
Expenditure for fixed assets		
Engineering structures	$ 9,046	$ 21,104
Unexpended funds at end of year	50,409	-
	$ 59,455	$ 21,104

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE REVENUE FUND

BALANCE SHEET **STATEMENT O**

	December 31 1987	1986
ASSETS		
Cash	$ 1,345	$ 1,266
Receivables		
Provincial government	58,105	60,462
General Revenue Fund	33,313	58,598
Materials and supplies	5,658	5,458
Other assets		
Municipal Finance Authority Debt Reserve Fund deposits	92,761	89,268
	$ 191,182	$ 215,052
LIABILITIES		
Payables		
Other	$ 81	$ -
Other liabilities		
Municipal Finance Authority Debt Reserve Fund		
Cash deposits	36,810	33,317
Demand notes (note 5)	55,951	55,951
SURPLUS (Statement P)	98,340	125,784
	$ 191,182	$ 215,052

Treasurer

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE REVENUE FUND

STATEMENT OF SURPLUS **STATEMENT P**

	Year ended December 31 1987	1986
Balance at beginning of year	$ 125,784	$ 97,171
Deduct surplus appropriated for current year	50,000	-
	75,784	97,171
Add surplus for the year (Statement Q)	22,556	28,613
BALANCE AT END OF YEAR	$ 98,340	$ 125,784

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE **STATEMENT Q**

	Year ended December 31 1987	1986
REVENUE		
Sewer rentals	$ 247,666	$ 245,091
Connection and service charges	2,050	3,500
Interest received	1,579	1,583
Conditional transfers from other governments		
Sewerage facilities grant - provincial government	89,359	93,388
Cost sharing - regional district and municipal government	5,538	6,390
Debt charges recovered from Joint Utilities Board	10,348	10,922
Surplus appropriated from previous years	50,000	-
	406,540	360,874
EXPENDITURE		
Environmental health services		
Administration	28,211	24,558
Collection and disposal	55,342	48,779
Customer billing and collection	11,366	10,886
Transfers to own reserve accounts and funds		
General Revenue Fund	50,000	-
Sewer Enterprise Capital Fund	1,194	2,539
Joint Utilities Board	67,790	66,457
Debt charges		
Interest and foreign exchange on debenture debt	120,442	132,593
Principal installments	49,639	46,449
	383,984	332,261
SURPLUS FOR THE YEAR	$ 22,556	$ 28,613

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE CAPITAL FUND

BALANCE SHEET **STATEMENT R**

	December 31 1987	1986 (note 6)
ASSETS		
Unexpended funds		
Cash and term deposit	$ 6,772	$ 6,376
Fixed assets		
Engineering structures	2,742,198	2,741,004
	$2,748,970	$2,747,380
LIABILITIES		
Long-term debt		
Debentures (Schedule 17) (note 2)	$ 811,588	$ 865,469
EQUITY IN CAPITAL ASSETS (Statement S)	1,937,382	1,881,911
	$2,748,970	$2,747,380

Treasurer

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE CAPITAL FUND

STATEMENT OF EQUITY IN CAPITAL ASSETS **STATEMENT S**

	Year ended December 31 1987	1986
Balance at beginning of year		
As previously reported	$ -	$ -
Adjustment to reflect change in accounting for accumulated depreciation (note 6)	1,881,911	1,828,925
As restated	1,881,911	1,828,925
Add		
Retirement of long-term debenture debt	53,881	50,022
Assets acquired by transfers and donations	1,194	2,539
Interest received	396	425
	55,471	52,986
BALANCE AT END OF YEAR	$1,937,382	$1,881,911

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE CAPITAL FUND

STATEMENT OF CAPITAL FINANCING **STATEMENT T**

	Year ended December 31 1987	1986
FINANCES ACQUIRED		
Unexpended funds at beginning of year	$ 6,376	$ 5,950
Transfers from		
Sewer Enterprise Revenue Fund	1,194	2,539
Interest received	396	426
	$ 7,966	$ 8,915
FINANCES APPLIED		
Expenditure for fixed assets		
Engineering structures	$ 1,194	$ 2,539
Unexpended funds at end of year	6,772	6,376
	$ 7,966	$ 8,915

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1987

GENERAL

The Corporation of the City of Duncan is incorporated under the Municipal Act of British Columbia.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

It is the corporation's policy to follow accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. In line with this policy, the resources and operation of the corporation are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The funds are as follows:

General Revenue Fund
General Capital Fund
Reserve Funds
Waterworks Utility Revenue Fund
Waterworks Utility Capital Fund
Sewer Enterprise Revenue Fund
Sewer Enterprise Capital Fund

Materials and supplies

Inventories of materials and supplies are valued at cost.

Reserves - General Revenue Fund

General Revenue Fund reserves are non-statutory reserves established at the discretion of Council.

(i) The reserve for uncollected taxes and other receivables is an amount set aside for a portion of uncollected taxes and other receivables.

(ii) The reserve for property acquired for taxes is an amount set aside to offset the cost of property acquired for taxes.

(iii) Reserves for future expenditure are amounts set aside from past and current operations for future operating and capital expenditures.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed assets

General Capital Fund and Waterworks Utility and Sewer Enterprise Capital Funds

Fixed assets are recorded at cost in the year of acquisition. No depreciation is recorded.

Debenture debt

Those debentures issued in U.S. funds are carried at the principal amounts payable in U.S. dollars.

Debt charges

Debt charges, including principal, interest and foreign exchange, are charged against current revenue in the periods in which they are due.

1. CONTINGENT LIABILITIES

Regional District of Cowichan Valley debt is, under the provisions of the Municipal Act, a direct, joint and several liability of the district and each member municipality within the district, including The Corporation of the City of Duncan.

2. DEBENTURES

The loan agreements with the Regional District of Cowichan Valley and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the City.

3. DEMAND NOTES - GENERAL REVENUE FUND

Included are notes with a face value of $15,183 payable in U.S. funds.

4. DEMAND NOTES - WATERWORKS UTILITY REVENUE FUND

Included are notes with a face value of $1,480 payable in U.S. funds.

5. DEMAND NOTES - SEWER ENTERPRISE REVENUE FUND

Included are notes with a face value of $40,805 payable in U.S. funds.

6. DEPRECIATION - CHANGE IN ACCOUNTING POLICY

In accordance with accounting principles prescribed by the Ministry of Municipal Affairs, the corporation has discontinued its policy of recording depreciation on fixed assets. This change has been applied retroactively. Accumulated depreciation on fixed assets of the Waterworks Utility Capital Fund and the Sewer Enterprise Capital Fund at January 1, 1986 has been reversed and credited to equity in capital assets.

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 1
TAXES		
Property taxes	$1,265,528	$1,215,863
Cowichan Valley Regional District levy	423,982	456,276
	1,689,510	1,672,139
Special assessments		
Downtown redevelopment	59,916	61,590
Utilities	38,129	37,894
	98,045	99,484
	$1,787,555	$1,771,623
		SCHEDULE 2
GRANTS IN LIEU OF TAXES		
Federal government	$ 8,722	$ 8,449
Provincial government	38,732	34,550
British Columbia Hydro and Power Authority	5,389	5,084
	$ 52,843	$ 48,083
		SCHEDULE 3
SALES OF SERVICES		
Garbage fees	$ 236,108	$ 224,696
Transit user fees	4,402	-
	$ 240,510	$ 224,696

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 4
OTHER REVENUE FROM OWN SOURCES		
Licences and permits		
Trade licences	$ 35,728	$ 34,765
Delivery vehicle licences	1,487	1,306
Building permits and other fees	4,074	4,949
Other	6,108	6,296
	47,397	47,316
Fines	13,015	13,626
Rentals (including equipment rentals)	142,129	144,155
Interest received	55,076	49,532
Penalties and interest on taxes	59,697	87,594
	317,314	342,223
Eagle Heights fire protection	46,291	43,090
Other	40,419	26,008
	86,710	69,098
	$ 404,024	$ 411,321
		SCHEDULE 5
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Provincial government		
Revenue sharing grants	$ 212,708	$ 192,487
		SCHEDULE 6
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Federal government	$ 2,524	$ -
Provincial government	85,026	39,277
District of North Cowichan	5,032	1,871
	$ 92,582	$ 41,148

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 7
COLLECTIONS FOR OTHER GOVERNMENTS		
School authorities		
Non-residential school levy	$ 697,628	$ 821,036
Residential school levy	552,449	471,964
	1,250,077	1,293,000
Regional Hospital District	34,955	24,457
	1,285,032	1,317,457
Joint Boards and Commissions		
Municipal Finance Authority	348	475
British Columbia Assessment Authority	38,368	34,727
	38,716	35,202
	$1,323,748	$1,352,659
		SCHEDULE 8
TRANSFERS FROM OWN RESERVE ACCOUNTS AND UTILITIES		
Reserve for uncollected taxes and other receivables	$ 73,606	$ 62,552
Reserve for property acquired for taxes	-	51,669
Reserve for future expenditure	122,718	36,289
	196,324	150,510
Waterworks Utility Revenue Fund	53,000	53,000
Sewer Enterprise Revenue Fund	50,000	-
	$ 299,324	$ 203,510

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 9
GENERAL GOVERNMENT SERVICES		
Legislative		
Council indemnities and expense	$ 32,444	$ 33,308
Administrative		
Office salaries and benefits	166,364	163,433
Accounting and audit	7,220	7,100
Legal	2,812	6,933
Printing and stationery	10,681	6,502
Telephone and postage	9,137	7,213
Advertising	6,227	6,730
	202,441	197,911
Other		
Election expenses	3,636	2,062
City Hall maintenance and operation	42,584	35,133
Travel, conventions and receptions	31,790	7,783
Grants to organizations	27,944	9,875
Insurance	20,236	22,468
Equipment maintenance	297	179
Operation and maintenance - leased buildings	9,591	6,308
Retirement allowances	47,466	29,785
Senior citizen sewer and water rebates	6,696	7,959
Computer services	14,480	13,610
Tourism	37,525	21,412
Sundry	11,972	9,039
	254,217	165,613
	$ 489,102	$ 396,832

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 10
PROTECTIVE SERVICES		
Fire protection		
Administration	$ 7,200	$ 7,200
Call pay	47,567	40,734
Firemen's fund and insurance	3,924	5,294
Alarm system	4,124	3,982
Fire investigation and prevention	705	1,171
Hydrant rental	3,282	3,126
Fire hall operation and maintenance	14,260	16,392
Equipment maintenance and supplies	18,877	26,499
Training	6,661	3,612
Grant to volunteer fire department	8,308	7,862
Other	12,274	7,647
	127,182	123,519
Emergency measures	6,102	6,953
Other protection		
Flood control	-	416
Animal control	9,671	8,956
Building inspection		
Salaries and benefits	40,261	38,078
Travel and transportation	1,800	1,800
Other	1,612	649
	53,344	49,899
	$ 186,628	$ 180,371

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 11
TRANSPORTATION SERVICES		
Common services		
Operation and maintenance of workshop and yard	$ 23,707	$ 21,514
Small tools and equipment	4,254	4,873
	27,961	26,387
Roads		
Administration	41,915	41,228
Engineering	3,327	-
	45,242	41,228
Roads and streets		
Street maintenance	68,867	61,263
Snow removal	4,355	11,504
Drainage	13,386	12,719
Sidewalk maintenance	8,789	7,429
Traffic lines and signs	21,524	17,900
Boulevards	34,942	45,053
Street cleaning and flushing	45,686	43,129
	197,549	198,997
Street lighting	62,058	61,294
Traffic maintenance and control	12,003	7,639
	74,061	68,933
Parking		
Parking lots	31,901	31,892
Parking control	46,741	44,013
	78,642	75,905
Other		
Equipment operation and maintenance	107,239	111,064
Transit subsidy	11,880	6,000
	119,119	117,064
	$ 542,574	$ 528,514

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 12
ENVIRONMENTAL HEALTH SERVICES		
Garbage collection	$ 250,902	$ 223,322
Comfort stations	4,350	5,045
	$ 255,252	$ 228,367
		SCHEDULE 13
ENVIRONMENTAL DEVELOPMENT SERVICES		
Planning and research	$ 10,251	$ 19,737
		SCHEDULE 14
RECREATION AND CULTURAL SERVICES		
Parks - general	$ 88,526	$ 100,195
- Joint Parks Committee	35,000	35,000
Swimming pool - Municipality of North Cowichan	113,720	124,520
	237,246	259,715
Library	61,580	53,730
Senior Citizens' Activity Centre	4,761	4,687
	66,341	58,417
	$ 303,587	$ 318,132

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

	Year ended December 31 1987	1986
		SCHEDULE 15
DEBT CHARGES		
Interest on temporary borrowing	$ 1,807	$ 2,875
Interest and foreign exchange on debenture debt	234,072	300,362
Principal installments	119,734	164,790
	$ 355,613	$ 468,027
		SCHEDULE 16
TRANSFERS TO OWN RESERVE ACCOUNTS AND FUNDS		
General Capital Fund	$ 272,470	$ 156,321
Reserve Funds		
Machinery and Equipment	60,227	38,298
New Works	10,000	10,000
Parking Improvement	10,000	10,000
	80,227	58,298
Reserve accounts		
Reserve for uncollected taxes and other receivables	6,795	54,298
Reserve for property acquired for taxes	2,337	-
Reserves for future expenditure	71,000	100,500
	80,132	154,798
	$ 432,829	$ 369,417

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

DEBENTURE DEBT **SCHEDULE 17**

	Year ended December 31, 1987		
	Amount of Issue		
	Authorized	Unissued	Outstanding
GENERAL CAPITAL FUND			
Fire hall	$ 608,388	$ -	$ 608,388
City Hall renovations	302,181	-	302,181
Storm water drain	247,582	-	247,582
Street improvements	172,695	-	172,695
Neighborhood improvements	44,945	-	44,945
Core rejuvenation	300,289	-	300,289
TOTAL GENERAL CAPITAL FUND	$1,676,080	$ -	$1,676,080
WATERWORKS UTILITY CAPITAL FUND			
Water system	$1,032,219	$ -	$1,032,219
SEWER ENTERPRISE CAPITAL FUND			
Sewer system	$ 811,588	$ -	$ 811,588

NOTE: Included in outstanding debentures are debentures totalling $820,184 payable in United States currency and carried at par of exchange. On December 31, 1987 the rate of exchange to purchase United States currency was $1.2998 Canadian (1986 - $1.395 Canadian).

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

EXPENDITURE FOR FIXED ASSETS **SCHEDULE 18**

YEAR ENDED DECEMBER 31, 1987

	1987			1986
	Engineering structures	Machinery and equipment	Total	Total
General government services	$ -	$ -	$ -	$ 2,962
Protective services	-	14,928	14,928	15,168
Transporation services	186,308	17,202	203,510	223,254
Environmental health services	703,420	8,265	711,685	8,001
Recreation and cultural services	67,874	-	67,874	167,641
	$ 957,602	$ 40,395	$ 997,997	$ 417,026

DUNCAN-NORTH COWICHAN JOINT UTILITIES BOARD

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1987

	Page
Auditors' Report	1
Balance Sheet	2
Statement of Revenue and Expenditure	3

Thorne Ernst & Whinney
Chartered Accountants

Third Floor, Royal Bank Building
707 Fort Street
Victoria, British Columbia, Canada
V8W 3G3

(604) 382-8251

AUDITORS' REPORT

The Duncan-North Cowichan
Joint Utilities Board

We have examined the balance sheet of the Duncan-North Cowichan Joint Utilities Board as at December 31, 1987 and the statement of revenue and expenditure for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1987 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 5, 1988

DUNCAN-NORTH COWICHAN JOINT UTILITIES BOARD

BALANCE SHEET

	December 31 1987	1986
ASSETS		
Cash and term deposits	$644,191	$554,345
Receivables		
District of North Cowichan	4,042	10,847
	$648,233	$565,192
LIABILITY		
Payable to City of Duncan	$ 4,042	$ 10,847
RESERVE FOR CAPITAL EXPENDITURES	644,191	554,345
	$648,233	$565,192

NOTE: The Duncan-North Cowichan Joint Utilities Board operates and maintains joint sewer lagoons on behalf of the two municipalities.

DUNCAN-NORTH COWICHAN JOINT UTILITIES BOARD

STATEMENT OF REVENUE AND EXPENDITURE

	Year ended December 31	
	1987	1986
REVENUE		
Contributions from		
The Corporation of the City of Duncan	$ 67,790	$ 66,457
The Corporation of the District of North Cowichan	75,853	73,818
Interest received	49,194	42,497
Dumping fees	4,856	5,007
Transfer from reserve for capital expenditure	4,848	-
Cowichan Valley Regional District - lagoon study	5,500	-
	$208,041	$187,779
EXPENDITURE		
Administration	$ 5,171	$ 4,955
Sewer lagoon operation and maintenance		
Lease	21,929	21,929
Power	46,858	44,788
Chemicals	4,504	5,673
Equipment and supplies	4,696	4,645
Labour	8,202	5,542
	86,189	82,577
Debt charges		
The Corporation of the City of Duncan	10,348	10,922
The Corporation of the District of North Cowichan	6,791	6,828
	17,139	17,750
Transfer to reserve for capital expenditure	94,694	82,497
Lagoon study	4,848	-
	$208,041	$187,779

PIONEER COMPLEX COMMITTEE

JOINT PARKS

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1987

	1987	1986
REVENUE		
Contributions by Members		
City of Duncan	$ 35,000	$ 35,000
Municipality of North Cowichan	35,000	35,000
Interest	471	499
User Fees	1,100	-
Provincial Grant - Challenge 86/87	5,180	5,022
SURPLUS AT BEGINNING OF YEAR	20,076	7,407
	$ 96,827	$ 82,928
EXPENDITURE		
Kinsmen Park		
Operating Expenditure		
Repairs and Maintenance	$ 6,854	$ 4,223
Playground Supervision	13,217	12,592
Water and Power	247	170
	20,318	16,985
Pioneer Park		
Operating Expenditure		
Repairs and Maintenance	44,846	38,081
Water and Power	67	65
Portable Toilets	1,477	412
	46,390	38,558
Capital Expenditure		
Babe Ruth Field - Fencing	-	3,950
- Bleachers	-	3,119
	-	7,069
Other		
Taxes	259	240
Audit	500	-
	759	240
SURPLUS AT END OF YEAR	29,360	20,076
	$ 96,827	$ 82,928

PIONEER COMPLEX COMMITTEE

AQUANNIS POOL

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1987

	1987	1986
REVENUE		
Contributions by Members		
City of Duncan	$ 113,720	$ 124,520
Municipality of North Cowichan	309,140	305,344
Interest Income	3,021	-
Public Swimming	94,397	91,906
Instructional Program	62,611	47,021
Recreation and Keep-Fit Program	9,953	6,550
Rentals	34,249	30,143
Miscellaneous	18,871	14,348
Fitness Studio/Swim Program	10,104	13,156
Donations	-	3,018
TRANSFER FROM SURPLUS AT BEGINNING OF YEAR	14,957	18,851
DEFICIT AT END OF YEAR	13,482	-
	$ 684,505	$ 654,857
EXPENDITURE		
Cowichan Valley Regional District Administration and Audit Fee	$ 36,250	$ 32,030
Administration Salaries and Fringe Benefits	37,907	36,433
Telephone	1,760	1,800
Stationery, Office Supplies and Materials	5,266	3,904
Travel, Mileage, Conferences and Clinics	7,860	5,373
Insurance	3,609	4,557
Building Maintenance Salaries, Wages and Fringe Benefits	85,861	77,847
Building Cleaning, Maintenance and Repairs	16,561	16,985
Electricity	21,141	22,761
Fuel Oil	26,843	28,131
Rentals - Equipment	479	1,090
Water Treatment Chemicals	5,561	5,007
Equipment Maintenance and Repairs	15,074	11,347
Program Salaries, Wages and Fringe Benefits	218,978	204,967
Cashier Salaries, Wages and Fringe Benefits	76,489	60,802
Program Equipment and Supplies	12,905	7,223
Advertising and Promotion	5,884	3,460
Uniforms	2,389	2,522
B. C. Social Services Tax and Sales Taxable	1,172	974
Special Events and Sundry	3,339	528
Rescue and First Aid Supplies	577	1,072
Capital Expenditure	12,974	14,810
Debt Charges	53,362	53,362
Transfer to Reserve for Capital and Equipment Replacement	16,328	15,000
Provision for Sick Leave	6,066	18,000
Lease	9,870	9,915
SURPLUS AT END OF YEAR	-	14,957
	$ 684,505	$ 654,857

PIONEER COMPLEX COMMITTEE

BALANCE SHEET AS AT DECEMBER 31, 1987

ASSETS	1987	1986
CASH	$ 76,002	$ 57,841
INVESTMENT	25,000	-
ACCOUNTS RECEIVABLE	-	18,923
	$ 101,002	$ 76,764

LIABILITIES AND SURPLUS		
ACCOUNTS PAYABLE	$ 21,728	$ 729
ACCUMULATED SICK LEAVE	31,821	25,755
RESERVE FOR CAPITAL AND EQUIPMENT REPLACEMENT	31,575	15,247
SURPLUS	15,878	35,033
	$ 101,002	$ 76,764

Certified Correct

R. A. Gill,
Treasurer

MAYOR & ALDERMEN

1988

MAYOR

M. G. COLEMAN

ALDERMEN

J. KOCUREK	J. RICHMOND
B. PAYNE	J. GILLATT
M. LUKAITIS	M. CALJOUW

LIST OF OFFICERS

ADMINISTRATOR	P. E. (Paul) Douville
TREASURER	K. E. Belliveau
WORKS SUPERINTENDENT	A. H. Caron
BUILDING INSPECTOR/LAFC	M. C. Weld
FIRE CHIEF (VOLUNTEER)	G. A. Mackie
R.C.M. POLICE	S/Sgt. E. Raaflaub
MEDICAL HEALTH OFFICER	Dr. J. P. Reynolds

CITY AUDITORS

Thorne Ernst & Whinney

SOLICITORS

Harmon Wilson & Company

BANKERS

Canadian Imperial Bank of Commerce

CONSULTING ENGINEERS

Duncan & Associates Engineering Ltd.

THE CORPORATION OF THE CITY OF DUNCAN

GENERAL INFORMATION

DECEMBER 31st, 1987

Taxable Assessments	Municipal	Residential	Non-Residential	Hospital
1987	127,987,812	75,776,550	56,346,394	129,384,744

1987 TAX RATES

Property Class	Dollars of Tax per $1,000 Taxable Value			
	A General Municipal	B Debt	Total Municipal	C Downtown Revitaliz.
1. Residential	4.4924	1.4633	5.9557	1.34
2. Utility	27.1685	8.6597	35.8282	4.48
3. Forestry				
4. Machinery				
5. Industrial				
6. Business	11.7019	3.7298	15.4317	2.94
7. Tree Farms				
8. Seasonal	4.4924	1.4633	5.9557	1.34
9. Farm				

TAX RATES FOR OTHER GOVERNMENTS

Property Class	Dollars of Tax Per $1,000 Taxable Value						
	D Regional 1	E District 2	F Residential	G Non-Resid.	H B.C.A.A.	I M.F.A.	J Hospital
1. Residential	.4101	1.6333	7.2829		.1841	.0016	.1677
2. Utility	1.4354	5.7166		15.963	.6444	.0056	.5870
3. Forestry							
4. Machinery							
5. Industrial							
6. Business	1.0047	4.0016		12.770	4.510	.0039	.4109
7. Tree Farm							
8. Seasonal	.4101	1.633		6.385	.1841	.0016	.1677
9. Farm							

MISCELLANEOUS INFORMATION

Total Area of Municipality	322 Hectares land 23.5 Hectares Water
Population (1987) Census	4,039
Road Mileage	28.2 Km
Sanitary Sewers	28.2 Km
Water Mains	82.0 Km
Building Permits Issued - #	106
- value	1,375,200